

## **Declaration on the remuneration policy applicable to members of the management and supervisory bodies**

Pursuant to Law no. 28/2009, of 19 June, and Decree-Law no. 225/2008, of 20 November, the Remuneration Committee hereby submits to the company's General Meeting the following declaration on its remuneration policy applicable to the members of the management and supervisory bodies.

### 1. Introduction

The year of 2020 represented the third and last year of the current mandate of the governing bodies. The Remuneration Committee understood that there was no reason to introduce any changes to the policy defined at the beginning of this term, which received the approval of the shareholders and which is summarized in the following points.

### 2. Remuneration Policy for non-executive Directors and members of the Fiscal Council:

The remuneration of the non-executive members of the Board of Directors and of the members of the Fiscal Council consists of a fixed annual remuneration (divided into 14 times per year), without attendance fees.

There was no change in the fixed wages in force that reflect a level of remuneration appropriate to the responsibility of the functions performed and promoting their good performance.

No form of variable remuneration is provided for non-executive members of the management body and the supervisory body.

### 3. Executive Directors' Remuneration Policy

The remuneration of Executive Directors, which has been implemented since March 27, 2017 in the remuneration of the Chief Executive Officer, comprises a fixed component and a variable component.

In the definition of the variable remuneration, it was sought to ensure a reasonable balance between the disincentive to excessive risk taking and the effective alignment of management interests with the interests of Shareholders and the Company.

#### A) Fixed remuneration

The fixed remuneration component did not change in relation to 2018 and takes into account (i) the fact that executive management is concentrated in a single person (managing director) and (ii) that the managing director accumulates the functions of chairman of the company's board of directors.

#### B) Variable Remuneration

The variable remuneration is associated with the performance of the managing director. The allocation of variable remuneration takes into account the different degrees of achievement in relation to the specific objectives previously approved, associated with objective, simple, transparent and measurable performance indicators. The Remuneration Committee kept the two criteria defined for this mandate unchanged, namely: the Total Shareholder Return (TSR) of the Company's shares (80% weight) and the operational Efficiency of the Company, measured by the relationship between budgeted recurring costs and real (20% weight).

The variable remuneration has a maximum value corresponding to 100% of the value of the annual fixed remuneration, a limit that drops to 50% in the 2nd and following years of the mandate, if the accumulated TSR is not positive.

Thus, the variable remuneration will represent a maximum of 50% of the total annual remuneration.

The variable remuneration will be paid in cash, 50% in the month following the date of approval of accounts by the general shareholders' meeting and 50% with a deferral of 3 years and subject to verification of the positive performance of the Company in the period considered, to be carried out by the Remuneration Committee, which will take into account the financial sustainability and economic situation of the Company, in addition to

exceptional factors that are not under management control and that may affect the performance of the Company.

These principles and indicators for determining the variable component of remuneration aim to ensure a clear alignment between the interests of the executive director and the interests of the Company, through an incentive and compensation policy that allows the attraction, motivation and maintenance of the best professionals.

#### 4. Allocation of shares and options

Currently, there are no plans for the attribution of shares or stock options in force in the Company for the current mandate.

#### 5. Termination of duties of executive directors

In the event that an Executive Director ceases to function, for any reason other than dismissal for cause, the payment of the variable remuneration amounts determined and which are deferred can only be made at the time of the termination of the management relationship if, until that date, there are sufficient and sustained indications that the performance of the Company will be predictably positive in the remaining period in terms that would, in all probability, allow the payment of the deferred component.

#### 6. Variable remuneration reversal clause ("claw back")

The reversal through the retention and / or return of the variable remuneration whose payment already constitutes an acquired right may be required, by resolution of the Remuneration Committee, if (i) there is a judicial condemnation of a Director for unlawful performance that determines changes adverse effects on the company's equity situation; (ii) there is a serious or fraudulent non-compliance with the code of conduct or internal rules with significant impact, or situations that justify a just cause for dismissal; (iii) and/or false statements and/or errors and omissions that are materially relevant in the financial statements to which the Director's conduct has contributed decisively.

## 7. Alignment of the interests of the Directors with the interest of the Company

The variable remuneration of the Company's Executive Directors is dependent on their performance, as well as on sustainability and the ability to achieve certain strategic objectives of the Company.

The current remuneration policy also allows a globally reasonable balance between the fixed and variable components and the deferral of a significant part of the variable remuneration, with its payment conditional on the non-affectation of the positive performance of the Company over that period as described above. In this way, it seeks to contribute to the maximization of long-term performance and the disincentive of excessive risk taking.

Still with a view to reinforcing the component of evaluating the performance of the Directors, unless agreed or resolved by the Remuneration Committee to the contrary, the Company and its Directors must act in accordance with the following principles:

- i) The Directors must not enter into contracts, either with the Company or with third parties, which have the effect of mitigating the risk inherent to the variability of the remuneration fixed by the Company;
- ii) In the event of dismissal or termination by agreement of the management relationship, when due to its inadequate performance, no compensation will be paid to the directors.

## 8. Accumulation of remuneration

The remuneration committee authorized, with effect in 2021, that the managing director, on being a member of the board of directors of the company governed by Brazilian law OI S.A., within the scope of the minority interest held by the Company in that company, may accumulate the remuneration of that function with the remuneration earned in the Company. In the past (2015), the remuneration committee had already authorized the accumulation of remuneration in the Company with remuneration earned in OI S.A.. Furthermore, it is the understanding of the commission that the assumption of these functions is important for the proper management of said participation. The commission

was also aware that the assumption of these functions, due to the very delicate economic and financial situation in which OI S.A finds itself, represents a risk and an increased responsibility for the chief executive officer. In considering this set of elements, the Remuneration Committee decided to authorize said accumulation.

#### 9. Remuneration of the board of the general meeting

In 2019, the values approved in 2018 for the president and secretary of the General Meeting board were maintained.

#### 10. Statutory Auditor remuneration policy

The Company's Statutory Auditor is remunerated in accordance with normal remuneration practices and conditions for similar services, following the conclusion of a service provision contract with the company, following a proposal by the Fiscal Council.

#### 11. Use of external consultants

The board of directors provided the remuneration committee with all the conditions so that it could freely contract externally the consultancy services necessary for the exercise of its functions. As in the previous year, the commission considered that there was no need to use such services but that, if necessary, it would always ensure that they were provided independently and that the respective providers would never be hired to provide any other services to the company itself or to the company. others that are in a dominant or group relationship without the express authorization of the commission.

Lisbon, 8 March 2021

On behalf of the Remuneration Committee

António Gomes Mota

Presidente